



**REPORT OF THE AUDITOR OF PUBLIC ACCOUNTS
AUDIT EXAMINATION OF THE
HENRY COUNTY FISCAL COURT**

Fiscal Year Ended June 30, 1999

**EDWARD B. HATCHETT, JR.
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Edward B. Hatchett, Jr.
Auditor of Public Accounts

To the People of Kentucky
Honorable Paul E. Patton, Governor
John P. McCarty, Secretary
Finance and Administration Cabinet
Mike Haydon, Secretary, Revenue Cabinet
Honorable Tommy Bryant, Henry County Judge/Executive
Members of the Henry County Fiscal Court

Independent Auditor's Report

We have audited the accompanying statement of assets, liabilities, and fund balances arising from cash transactions of Henry County, Kentucky, as of June 30, 1999, and the related statement of cash receipts, cash disbursements, and changes in cash balances for the year then ended. These financial statements are the responsibility of the Henry County Fiscal Court. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with generally accepted auditing standards, Government Auditing Standards issued by the Comptroller General of the United States, and the Audit Guide for Fiscal Court Audits issued by the Auditor of Public Accounts, Commonwealth of Kentucky. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

Henry County, Kentucky, prepares its financial statements on a prescribed basis of accounting that demonstrates compliance with the cash basis and laws of Kentucky. Consequently, certain revenues and the related assets are recognized when received rather than when earned, and certain expenses are recognized when paid rather than when a liability is incurred. The cash basis accounting system does not require an entity to maintain a general fixed asset group or a general long-term debt group of accounts. Accordingly, the accompanying financial statements are not intended to present financial position and results of operations in conformity with generally accepted accounting principles.

In our opinion, the financial statements referred to above present fairly, in all material respects, the assets, liabilities, and fund balances arising from cash transactions of Henry County, Kentucky, and the related statement of cash receipts, cash disbursements, and changes in cash balances as of and for the year ended June 30, 1999, in conformity with the cash basis of accounting described above.

To the People of Kentucky
Honorable Paul E. Patton, Governor
John P. McCarty, Secretary
Finance and Administration Cabinet
Mike Haydon, Secretary, Revenue Cabinet
Honorable Tommy Bryant, Henry County Judge/Executive
Members of the Henry County Fiscal Court

Our audit was performed for the purpose of forming an opinion on the financial statements of Henry County, Kentucky, taken as a whole. The information provided on the accompanying schedules is presented for purposes of additional analysis and is not a required part of the financial statements. Such information has been subjected to the auditing procedures applied in the audit of the financial statements and, in our opinion, is fairly presented, in all material respects, in relation to the financial statements taken as a whole.

In accordance with Government Auditing Standards, we have also issued our report dated March 28, 2000 on our consideration of Henry County, Kentucky's compliance with certain provisions of laws, regulations, contracts, and grants, and internal control over financial reporting.

Respectfully submitted,

A handwritten signature in black ink, appearing to read "Ed Hatchett", with a long horizontal flourish extending to the right.

Edward B. Hatchett, Jr.
Auditor of Public Accounts

Audit fieldwork completed -
March 28, 2000

HENRY COUNTY OFFICIALS

June 30, 1999

Tommy Bryant	County Judge/Executive
Virginia Harrod	County Attorney
Rhonda M. Carpenter	County Clerk
Leland Payton	Circuit Court Clerk
G. R. "Bobby" Downey	Sheriff
Neil Stivers	Jailer
Jason Scriber	Property Valuation Administrator
Mary Scriber	County Treasurer
James Pollard	Coroner
John Allgeier	Magistrate
David Brown	Magistrate
Mike Fisher	Magistrate
Wayne Gunnell	Magistrate
Cecil McCarty	Magistrate
Jerry Beasley	Magistrate

STATEMENT OF ASSETS, LIABILITIES,
AND FUND BALANCES ARISING FROM CASH TRANSACTIONS

HENRY COUNTY
STATEMENT OF ASSETS, LIABILITIES,
AND FUND BALANCES ARISING FROM CASH TRANSACTIONS

June 30, 1999

Assets

General Fund:

Cash	\$ 1,165,722
Investments	411,956

Road and Bridge Fund:

Cash	747,784
Investments	200,000

Jail Fund:

Cash	7,453
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Local Government Economic Assistance Fund:

Cash	51,620
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Revolving Loan Fund:

Cash	3,505
Investments	345,000

County Fair Fund:

Cash	41,109
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Payroll Account - Cash

	82,776
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Total Assets

	\$ 3,056,925
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The accompanying notes are an integral part of the financial statements.

HENRY COUNTY
STATEMENT OF ASSETS, LIABILITIES, AND FUND BALANCES
ARISING FROM CASH TRANSACTIONS
June 30, 1999
(Continued)

Liabilities and Fund Balances

Liabilities

Revolving Loan Fund:	
Loan Payable (Note 4)	\$ 175,843
Payroll Account	82,776

Fund Balances

Reserved:	
Revolving Loan Fund	172,662
Unreserved:	
General Fund	1,577,678
Road Fund	947,784
Jail Fund	7,453
Local Government Economic Assistance Fund	51,620
County Fair Fund	<u>41,109</u>
Total Liabilities and Fund Balances	<u>\$ 3,056,925</u>

The accompanying notes are an integral part of the financial statements.

STATEMENT OF CASH RECEIPTS,
CASH DISBURSEMENTS, AND CHANGES IN CASH BALANCES

HENRY COUNTY
STATEMENT OF CASH RECEIPTS,
CASH DISBURSEMENTS, AND CHANGES IN CASH BALANCES

Fiscal Year Ended June 30, 1999

<u>Cash Receipts</u>	Totals (Memorandum Only)	General Fund	Road and Bridge Fund	Jail Fund
Schedule of Operating Revenue	\$ 3,376,998	\$ 2,012,076	\$ 1,204,657	\$ 101,493
Transfers In	180,000			180,000
Total Cash Receipts	<u>\$ 3,556,998</u>	<u>\$ 2,012,076</u>	<u>\$ 1,204,657</u>	<u>\$ 281,493</u>
<u>Cash Disbursements</u>				
Comparative Schedule of Final Budget and Budgeted Expenditures	\$ 3,203,638	\$ 1,753,912	\$ 1,120,672	\$ 285,556
Transfers Out	180,000	180,000		
Kentucky Infrastructure Authority- Principal	19,179			
Total Cash Disbursements	<u>\$ 3,402,817</u>	<u>\$ 1,933,912</u>	<u>\$ 1,120,672</u>	<u>\$ 285,556</u>
Excess (Deficiency) of Cash Receipts Over (Under) Cash Disbursements	\$ 154,181	\$ 78,164	\$ 83,985	\$ (4,063)
* Cash Balance - July 1, 1998	<u>2,819,968</u>	<u>1,499,514</u>	<u>863,799</u>	<u>11,516</u>
* Cash Balance - June 30, 1999	<u>\$ 2,974,149</u>	<u>\$ 1,577,678</u>	<u>\$ 947,784</u>	<u>\$ 7,453</u>
* Cash Balance Includes Investments				

The accompanying notes are an integral part of the financial statements.

HENRY COUNTY
STATEMENT OF CASH RECEIPTS, CASH DISBURSEMENTS, AND
CHANGES IN CASH BALANCES
Fiscal Year Ended June 30, 1999
(Continued)

Local Government Economic Assistance Fund	Revolving Loan Fund	County Fair Fund
\$ 28,267	\$ 19,255	\$ 11,250
\$ 28,267	\$ 19,255	\$ 11,250
\$ 24,444	\$ 15,112	\$ 3,942
	19,179	
\$ 24,444	\$ 34,291	\$ 3,942
\$ 3,823 47,797	\$ (15,036) 363,541	\$ 7,308 33,801
\$ 51,620	\$ 348,505	\$ 41,109

The accompanying notes are an integral part of the financial statements.

HENRY COUNTY
NOTES TO FINANCIAL STATEMENTS

June 30, 1999

Note 1. Summary of Significant Accounting Policies

A. Reporting Entity

The financial statements of Henry County include the funds, agencies, boards, and entities for which the fiscal court is financially accountable. Financial accountability, as defined by Section 2100 of the GASB Codification of Governmental Accounting and Financial Reporting Standards, as amended by GASB 14, was determined on the basis of the government's ability to significantly influence operations, select the governing authority, participate in fiscal management and the scope of public service. Based upon the application of the criteria stated in GASB 14, there are no component units which merit consideration as part of the reporting entity

B. Fund Accounting

Fund accounting is designed to demonstrate legal compliance and to aid financial management by segregating transactions related to certain government functions or activities. The government uses funds to report on its financial position and the results of its operations. A fund is a separate accounting entity with a self-balancing set of accounts.

C. Basis of Accounting

The financial statements were prepared on a cash basis of accounting pursuant to Kentucky Revised Statute (KRS) 68.210 as recommended by the State Local Finance Officer. Consequently, certain revenues and related assets are recognized when received rather than when earned, and certain expenses are recognized when paid rather than when a liability is incurred. The cash basis accounting system does not require an entity to maintain a general fixed asset group or a general long-term debt group of accounts.

D. Legal Compliance - Budget

The Henry County budget is adopted on a cash basis of accounting and laws of Kentucky as required by the State Local Finance Officer. The County Judge/Executive is required to submit estimated receipts and proposed expenditures to the fiscal court by May 1 of each year. The budget is prepared by fund, function, and activity and is required to be adopted by the fiscal court by July 1.

The fiscal court may change the original budget by transferring appropriations at the activity level; however, the fiscal court may not increase the total budget without approval by the State Local Finance Officer. Expenditures may not exceed budgeted appropriations at the activity level.

E. Cash and Investments

Cash includes amounts in bank accounts, and investments are stated at cost. Investments may include certificates of deposit on the financial statements; however, for the purpose of disclosing credit risk (Note 3), investments exclude certificates of deposit.

HENRY COUNTY
NOTES TO FINANCIAL STATEMENTS
June 30, 1999
(Continued)

Note 1. (Continued)

E. Cash and Investments (Continued)

KRS 66.480 authorizes the county to invest in the following, including but not limited to, obligations of the United States and of its agencies and instrumentalities, obligations and contracts for future delivery or purchase of obligations backed by the full faith and credit of the United States, obligations of any corporation of the United States government, bonds or certificates of indebtedness of this state, and certificates of deposit issued by or other interest-bearing accounts of any bank or savings and loan institution which are insured by the Federal Deposit Insurance Corporation (FDIC) or which are collateralized, to the extent uninsured, by any obligation permitted by KRS 41.240(4).

Note 2. Employee Retirement System

The county has elected to participate in the County Employees Retirement System (CERS), pursuant to KRS 78.530 administered by the Board of Trustees of the Kentucky Retirement Systems. This is a multiple-employer public retirement system which covers all eligible full-time employees. Benefit contributions and provisions are established by statute. Nonhazardous covered employees are required to contribute 5 percent of their salary to the plan. The county's contribution rate for nonhazardous employees was 8.65 percent. Hazardous covered employees are required to contribute 7 percent of their salary to the plan. The county's contribution rate for hazardous employees was 18.21 percent.

Benefits fully vest on reaching five years of service for nonhazardous employees. Aspects of benefits for nonhazardous employees include retirement after 27 years of service or age 65. Aspects of benefits for hazardous employees include retirement after 20 years of service or age 55.

Historical trend information showing the CERS' progress in accumulating sufficient assets to pay benefits when due is present in the Kentucky Retirement Systems' annual financial report.

Note 3. Deposits

The county maintained deposits of public funds with depository institutions insured by the Federal Deposit Insurance Corporation (FDIC). According to KRS 66.480(1)(d) and KRS 41.240(4), the depository institution should pledge or provide sufficient collateral which, together with FDIC insurance, equals or exceeds the amount of public funds on deposit at all times. In order to be valid against the FDIC in the event of failure or insolvency of the depository institution, this pledge or provision of collateral should be evidenced by an agreement between the county and the depository institution, signed by both parties, that is (a) in writing, (b) approved by the board of directors of the depository institution or its loan committee, which approval must be reflected in the minutes of the board or committee, and (c) an official record of the depository institution. These requirements were met, and as of June 30, 1999, the county's deposits were fully insured or collateralized at a 100% level with collateral of either pledged securities held by the county's agent in the county's name, or provided surety bonds which named the county as beneficiary/obligee on the bonds.

HENRY COUNTY
NOTES TO FINANCIAL STATEMENTS
June 30, 1999
(Continued)

Note 4. Long-Term Debt

Henry County has entered into a loan agreement with the Kentucky Infrastructure Authority. The terms of the loan are 3.00 percent interest on the unpaid balance with semiannual payments due June 1 and December 1 of each year, beginning December 1, 1992. The loan is to be paid in full June 1, 2007. The principal balance of the loan is \$175,843 as of June 30, 1999. The following table shows scheduled interest and principal amounts due during the next five years and thereafter.

<u>Due Date</u>	<u>Scheduled Interest</u>	<u>Scheduled Principal</u>
12/1/1999	\$ 2,638	\$ 9,806
6/1/2000	2,491	9,953
12/1/2000	2,341	10,102
6/1/2001	2,190	10,254
12/1/2001	2,036	10,408
6/1/2002	1,880	10,564
12/1/2002	1,721	10,722
6/1/2003	1,561	10,883
Thereafter	6,397	93,151
Totals	<u>\$ 23,255</u>	<u>\$ 175,843</u>

Note 5. Lease-Purchase Agreements

The county has entered into the following lease-purchase agreements:

<u>Description</u>	<u>Purchase Date</u>	<u>Maturity Date</u>	<u>Interest Rate</u>	<u>Amount</u>
Ambulance	7/30/1997	7/20/2000	4.25%	<u>\$ 16,301</u>

Note 6. Insurance

For the fiscal year ended June 30, 1999, Henry County was a member of the Kentucky Association of Counties' All Lines Insurance Fund (KALF). KALF is a self-insurance fund and was organized to obtain lower cost coverage for general liability, property damage, public officials' errors and omissions, public liability, and other damages. The basic nature of a self-insurance program is that of a collectively shared risk by its members. If losses incurred for covered claims exceed the resources contributed by the members, the members are responsible for payment of the excess losses.

COMPARATIVE SCHEDULE OF
BUDGETED TO ACTUAL OPERATING REVENUE

HENRY COUNTY
COMPARATIVE SCHEDULE OF
BUDGETED TO ACTUAL OPERATING REVENUE

Fiscal Year Ended June 30, 1999

<u>Budgeted Funds</u>	<u>Budgeted Operating Revenue</u>	<u>Actual Operating Revenue</u>	<u>Over (Under) Budget</u>
General Fund	\$ 2,667,000	\$ 2,012,076	\$ (654,924)
Road and Bridge Fund	1,296,075	1,204,657	(91,418)
Jail Fund	327,365	101,493	(225,872)
Local Government Economic Assistance Fund	26,000	28,267	2,267
Revolving Loan Fund	17,821	19,255	1,434
County Fair Fund	<u>34,500</u>	<u>11,250</u>	<u>(23,250)</u>
Total	<u>\$ 4,368,761</u>	<u>\$ 3,376,998</u>	<u>\$ (991,763)</u>

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SCHEDULE OF OPERATING REVENUE

HENRY COUNTY
SCHEDULE OF OPERATING REVENUE

Fiscal Year Ended June 30, 1999

	Totals (Memorandum Only)	General Fund	Road and Bridge Fund	Jail Fund
<hr/>				
Revenue From Local Taxes <u>and Excess Fees</u>				
Sheriff:				
Taxes	\$ 436,562	\$ 436,562	\$	\$
Excess Fees - 1998	22,011	22,011		
County Clerk:				
Deed Transfer Tax	37,802	37,802		
Occupational Licenses	1,190	1,190		
Delinquent Taxes	7,079	7,079		
Excess Fees - 1998	41,057	41,057		
Tangible Personal Property Taxes:				
County Clerk	80,736	80,736		
Bank Franchise Tax	50,638	50,638		
Net Profits Tax	120,000	120,000		
	<hr/>	<hr/>	<hr/>	<hr/>
Totals	\$ 797,075	\$ 797,075	\$ 0	\$ 0
	<hr/>	<hr/>	<hr/>	<hr/>
<u>Federal Receipts - State Treasurer</u>				
Disaster and Emergency Assistance				
Grants - Coordinator Salary	\$ 4,918	\$ 4,918	\$	\$
	<hr/>	<hr/>	<hr/>	<hr/>
<u>Kentucky State Treasurer</u>				
Jail:				
Allotments	\$ 50,776	\$	\$	\$ 50,776
Medical Allotments	3,580			3,580
Driving Under The Influence Fees	4,805			4,805
County Road Aid	706,851		706,851	
Truck License Distribution	161,449		161,449	
Courthouse Rental - Administrative				
Office of the Courts	69,012	69,012		
Refunds:				
Legal Process Tax	81	81		
Drivers Licenses	1,538		1,538	
Dog Licenses	9,590	9,590		
Elections	6,120	6,120		

Local Government Economic Assistance Fund	Revolving Loan Fund	County Fair Fund
\$	\$	\$
\$ 0	\$ 0	\$ 0
\$	\$	\$
\$	\$	\$

HENRY COUNTY
 SCHEDULE OF OPERATING REVENUE
 Fiscal Year Ended June 30, 1999
 (Continued)

	Totals (Memorandum Only)	General Fund	Road and Bridge Fund	Jail Fund
<u>Kentucky State Treasurer (Continued)</u>				
Base Court Revenue	\$ 45,472	\$ 45,472	\$	\$
Severance Taxes:				
Mineral	24,063			
Grants:				
Parks	93,828	93,828		
Ambulance	2,846	2,846		
Totals	<u>\$ 1,180,011</u>	<u>\$ 226,949</u>	<u>\$ 869,838</u>	<u>\$ 59,161</u>
<u>Miscellaneous Revenue</u>				
Interest	\$ 151,042	\$ 72,793	\$ 51,131	\$ 2,809
Circuit Court Clerk:				
Jail Cost	24,765			24,765
Boarding Fees	14,758			14,758
Rent	16,200	7,200		
Donation-Safety Kleen	60,000	60,000		
Telephone 911 Fee	90,220	90,220		
Licenses and Permits:				
Franchise Fees	47,444	47,444		
Charges for Services:				
Parks and Recreation	23,479	23,479		
Ambulance Service	46,646	46,646		
Planning and Zoning Fees	53,055	53,055		
Salary Reimbursement	1,400			
Payroll Contributions:				
County Clerk	165,980	165,980		
Sheriff	141,099	141,099		
County Attorney	47,456	47,456		
Library Lease	10,101	10,101		
Insurance Reimbursement	279,878	7,075	272,803	
Land Sale	207,733	207,733		
Miscellaneous Items	13,738	2,853	10,885	
Totals	<u>\$ 1,394,994</u>	<u>\$ 983,134</u>	<u>\$ 334,819</u>	<u>\$ 42,332</u>
Total Operating Revenue	<u>\$ 3,376,998</u>	<u>\$ 2,012,076</u>	<u>\$ 1,204,657</u>	<u>\$ 101,493</u>

HENRY COUNTY
SCHEDULE OF OPERATING REVENUE
Fiscal Year Ended June 30, 1999
(Continued)

Local Government Economic Assistance Fund	Revolving Loan Fund	County Fair Fund
\$	\$	\$
24,063		
<u>\$ 24,063</u>	<u>\$ 0</u>	<u>\$ 0</u>
\$ 2,804	\$ 19,255	\$ 2,250
		9,000
1,400		
<u>\$ 4,204</u>	<u>\$ 19,255</u>	<u>\$ 11,250</u>
<u>\$ 28,267</u>	<u>\$ 19,255</u>	<u>\$ 11,250</u>

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COMPARATIVE SCHEDULE OF
FINAL BUDGET AND BUDGETED EXPENDITURES

HENRY COUNTY
COMPARATIVE SCHEDULE OF
FINAL BUDGET AND BUDGETED EXPENDITURES

Fiscal Year Ended June 30, 1999

	<u>Final Budget</u>	<u>Budgeted Expenditures</u>	<u>Under (Over) Budget</u>
<u>GENERAL FUND</u>			
<u>General Government</u>			
Office of County Judge/Executive:			
Salaries-			
County Judge/Executive	\$ 44,358	\$ 44,358	\$
Deputy County Judge/Executive	23,908	23,908	
Other Salaries	500		500
Office Materials and Supplies	10,000	8,551	1,449
Office of County Attorney:			
Salaries-			
County Attorney	17,110	16,609	501
Other Salaries	55,000	42,010	12,990
Office Materials and Supplies	300	57	243
Office of County Clerk:			
Salaries-			
County Clerk	56,846	56,845	1
Deputies	135,000	114,553	20,447
Temporary/Part-Time Help	2,400	2,200	200
Fees	1,000	718	282
Tax Bill Preparation	4,600	3,535	1,065
Office of Sheriff:			
Salaries-			
Sheriff	48,728	47,434	1,294
Deputies	131,000	93,186	37,814
Temporary/Part-Time Help	14,001	14,000	1
Settlement Fund	2,000	1,821	179
Cruisers	47,000	46,325	675
Office of County Coroner:			
Salaries-			
County Coroner	7,645	6,894	751
Deputy Coroner	3,336	3,085	251
Expenses	3,500	3,037	463

HENRY COUNTY
 COMPARATIVE SCHEDULE OF
 FINAL BUDGET AND BUDGETED EXPENDITURES
 Fiscal Year Ended June 30, 1999
 (Continued)

	Final Budget	Budgeted Expenditures	Under (Over) Budget
<u>GENERAL FUND</u> (Continued)			
<u>General Government</u> (Continued)			
Fiscal Court:			
Magistrates-			
Salaries	\$ 54,860	\$ 54,860	\$
Legal Fees	2,500	1,081	1,419
Legal Advertisement	4,820	4,819	1
Conferences	5,000	4,904	96
Office of Property Valuation Administrator:			
Statutory Contribution	28,762	25,624	3,138
Office of Board of Assessment Appeals:			
Per Diem	400	300	100
Office of County Treasurer:			
Salaries-			
County Treasurer	16,161	16,161	
Office Materials and Supplies	1,500	773	727
Data Processing:			
Miscellaneous	2,000	1,643	357
County Law Library:	600		600
Elections:			
Per Diem-			
Election Commissioners	4,450	4,450	
Election Officers	19,600	10,301	9,299
Polling Place Rent	1,080	1,020	60
Printing and Advertising	24,577	24,576	1
Voting Machine	1,665	1,664	1
Planning and Zoning:			
Salaries-			
Enforcement Officer	25,001	25,000	1
Secretary	14,501	14,500	1
Legal Fees	9,000	9,000	
Gas and Maintenance	3,000	2,904	96

HENRY COUNTY
 COMPARATIVE SCHEDULE OF
 FINAL BUDGET AND BUDGETED EXPENDITURES
 Fiscal Year Ended June 30, 1999
 (Continued)

	Final Budget	Budgeted Expenditures	Under (Over) Budget
<u>GENERAL FUND</u> (Continued)			
Planning and Zoning: (Continued)			
Office Supplies	\$ 2,500	\$ 1,599	\$ 901
Legal Ads	800	721	79
Refunds	750	309	441
Telephone	900	683	217
Mileage	200		200
Miscellaneous	750	576	174
Courthouse:			
Janitorial Services	14,280	14,218	62
Custodial Supplies	4,000	3,764	236
Improvements or New Construction	238,071	56,040	182,031
Utilities	14,000	13,855	145
<u>Protection to Persons and Property</u>			
Building Code Inspector	4,400	4,400	
County Fire Department:			
Contributions	39,500	39,500	
Loading Station	6,000	5,953	47
Emergency Medical Services:			
Contribution	77,929	77,929	
Disaster and Emergency Services:			
Contribution	6,957	6,955	2
Ambulance Service:			
Salaries-			
EMT Technicians	69,418	69,418	
Part-Time	21,500	19,669	1,831
SB 66 Match	9,500	9,249	251
Ambulance Lease	15,905	15,492	413
Capital Outlay	46,177	23,495	22,682
911 Emergency Dispatch	100,000	86,319	13,681

HENRY COUNTY
 COMPARATIVE SCHEDULE OF
 FINAL BUDGET AND BUDGETED EXPENDITURES
 Fiscal Year Ended June 30, 1999
 (Continued)

	Final Budget	Budgeted Expenditures	Under (Over) Budget
<u>GENERAL FUND</u> (Continued)			
<u>Protection to Persons and Property</u> (Continued)			
Forest Fire Contribution	\$ 1,200	\$ 1,160	\$ 40
Office of Public Defender: Contribution	1,650	1,603	47
<u>General Health and Sanitation</u>			
Dog Control:			
Salaries	25,231	25,231	
Kennel Contract	13,701	13,700	1
Animal Supplies	450	397	53
Fuel and Maintenance	1,200	655	545
Kennel Repairs	1,500	194	1,306
Utilities	900	718	182
Recycling Program:	7,200	7,200	
Dead Animal Removal	9,952	9,952	
Social Services	13,200	13,200	
<u>Recreation and Culture</u>			
Parks:			
Temporary/Part-Time Help	12,700	4,320	8,380
Equipment	12,000	9,324	2,676
Repairs and Maintenance	150,000	90,086	59,914
Utilities	11,000	10,192	808
Public Libraries:			
Lease-Purchase	10,250	9,235	1,015
Cooperative Extension Service:			
Rent	8,064	8,064	
Special Events	1,000		1,000

HENRY COUNTY
 COMPARATIVE SCHEDULE OF
 FINAL BUDGET AND BUDGETED EXPENDITURES
 Fiscal Year Ended June 30, 1999
 (Continued)

	Final Budget	Budgeted Expenditures	Under (Over) Budget
<u>GENERAL FUND</u> (Continued)			
Capital Projects:			
Building	\$ 500,000	\$ 107,570	\$ 392,430
Safety Kleen	60,000		60,000
<u>Administration</u>			
General Services:			
Audit Services	14,630	14,629	1
Insurance Premiums	52,200	40,466	11,734
Bonds	4,200	3,485	715
Memberships	4,320	4,319	1
Insurance Assessment	5,000	449	4,551
Miscellaneous	1,000	572	428
Contingent Appropriations:			
Reserve for Transfers	9,706		9,706
Fringe Benefits:			
County Contributions-			
Social Security	55,000	48,138	6,862
Retirement	80,000	74,488	5,512
Health Insurance	75,000	63,075	11,925
Worker's Compensation	20,000	7,713	12,287
Unemployment Insurance	3,500	927	2,573
Total General Fund	<u>\$ 2,667,000</u>	<u>\$ 1,753,912</u>	<u>\$ 913,088</u>

ROAD AND BRIDGE FUND

General Government

Office of County Judge/Executive

Salaries-

County Judge/Executive	\$ 8,919	\$ 8,887	\$ 32
Deputy County Judge/Executive	4,348	4,347	1

HENRY COUNTY
 COMPARATIVE SCHEDULE OF
 FINAL BUDGET AND BUDGETED EXPENDITURES
 Fiscal Year Ended June 30, 1999
 (Continued)

	Final Budget	Budgeted Expenditures	Under (Over) Budget
<u>ROAD AND BRIDGE FUND</u> (Continued)			
Fiscal Court:			
Magistrates Salaries	\$ 10,070	\$ 10,069	\$ 1
County Treasurer:			
Salary	3,893	2,854	1,039
<u>Roads</u>			
Office of Road Supervisor/Engineer:			
Road Supervisor Salary	31,565	31,563	2
Office Materials and Supplies	1,200	947	253
Road Maintenance:			
Road Labor Salaries	155,000	138,440	16,560
Highway Contract	250,000	199,723	50,277
Building Rent	8,328	8,328	
Materials	219,115	219,114	1
Medical	700	205	495
Utilities	4,500	2,891	1,609
Machinery and Equipment-			
Repairs	121,570	33,684	87,886
New Road Machinery	259,736	259,735	1
Buildings	119,631	115,417	4,214
<u>Administration</u>			
General Services:			
Insurance	10,000	10,000	
Miscellaneous	1,000	843	157
Fringe Benefits:			
County Contributions-			
Retirement	23,000	17,624	5,376
Social Security	20,000	13,501	6,499
Health Insurance	32,500	31,500	1,000
Worker's Compensation	10,000	10,000	
Unemployment Insurance	1,000	1,000	
Total Road and Bridge Fund	\$ 1,296,075	\$ 1,120,672	\$ 175,403

HENRY COUNTY
 COMPARATIVE SCHEDULE OF
 FINAL BUDGET AND BUDGETED EXPENDITURES
 Fiscal Year Ended June 30, 1999
 (Continued)

	Final Budget	Budgeted Expenditures	Under (Over) Budget
<hr/>			
<u>JAIL FUND</u>			
<hr/>			
<u>Protection to Persons and Property</u>			
Office of Jailer:			
Personnel Services-			
Salaries-			
Jailer	\$ 31,466	\$ 31,466	\$
Deputy Jailer	15,000	14,256	744
Social Security	3,600	3,293	307
Retirement	8,500	7,378	1,122
Association Dues	100	100	
Staff Training	500	344	156
Operations-			
Gasoline	4,000	1,905	2,095
Routine Medical	16,000	14,739	1,261
Staff Uniforms	900	832	68
Housing Juveniles	16,999	3,885	13,114
Housing Prisoners - Other Counties	230,000	207,095	22,905
Miscellaneous Operating Expense	300	263	37
	<hr/>	<hr/>	<hr/>
Total Jail Fund	\$ 327,365	\$ 285,556	\$ 41,809
<hr/>			
<u>LOCAL GOVERNMENT ECONOMIC ASSISTANCE FUND</u>			
General Services:			
Medical Car Driver Salary	\$ 13,600	\$ 13,248	\$ 352
Indigent Care	2,400	1,272	1,128
Senior Citizens Program:			
Contribution	8,000	8,000	
Fringe Benefits:			
County Contributions-			
Retirement	1,000	945	55
Social Security	1,000	979	21
	<hr/>	<hr/>	<hr/>
Total Local Government Economic Assistance Fund	\$ 26,000	\$ 24,444	\$ 1,556

HENRY COUNTY
 COMPARATIVE SCHEDULE OF
 FINAL BUDGET AND BUDGETED EXPENDITURES
 Fiscal Year Ended June 30, 1999
 (Continued)

	<u>Final Budget</u>	<u>Budgeted Expenditures</u>	<u>Under (Over) Budget</u>
<u>REVOLVING LOAN FUND</u>			
Economic Development:			
Industrial Foundation-Interest	\$ 9,023	\$ 9,023	\$
Kentucky Infrastructure Authority:			
Interest	5,708	5,708	
Service Fee	<u>3,090</u>	<u>381</u>	<u>2,709</u>
Total Operating Budget	\$ 17,821	\$ 15,112	\$ 2,709
Other Financing Uses:			
*Kentucky Infrastructure Authority- Principal	<u>19,179</u>	<u>19,179</u>	
Total Revolving Loan Fund	<u>\$ 37,000</u>	<u>\$ 34,291</u>	<u>\$ 2,709</u>
<u>COUNTY FAIR FUND</u>			
Park Renovation	<u>\$ 34,500</u>	<u>\$ 3,942</u>	<u>\$ 30,558</u>
Total Operating Budget - All Funds	\$ 4,368,761	\$ 3,203,638	\$ 1,165,123
Other Financing Uses:			
*Kentucky Infrastructure Authority- Principal	<u>19,179</u>	<u>19,179</u>	
TOTAL BUDGET - ALL FUNDS	<u><u>\$ 4,387,940</u></u>	<u><u>\$ 3,222,817</u></u>	<u><u>\$ 1,165,123</u></u>

REPORT ON COMPLIANCE AND ON INTERNAL CONTROL OVER
FINANCIAL REPORTING BASED ON AN AUDIT OF FINANCIAL STATEMENTS
PERFORMED IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS



Edward B. Hatchett, Jr.
Auditor of Public Accounts

Honorable Tommy Bryant, Henry County Judge/Executive
Members of the Henry County Fiscal Court

Report On Compliance And On Internal Control
Over Financial Reporting Based On An Audit Of Financial
Statements Performed In Accordance With Government Auditing Standards

We have audited the financial statements of Henry County, Kentucky, as of and for the year ended June 30, 1999, and have issued our report thereon dated March 28, 2000. We conducted our audit in accordance with generally accepted auditing standards and the standards applicable to financial audits contained in Government Auditing Standards issued by the Comptroller General of the United States.

Compliance

As part of obtaining reasonable assurance about whether Henry County's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grants, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance that are required to be reported under Government Auditing Standards.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered Henry County's internal control over financial reporting in order to determine our auditing procedures for the purpose of expressing our opinion on the financial statements and not to provide assurance on the internal control over financial reporting. Our consideration of the internal control over financial reporting would not necessarily disclose all matters in the internal control over financial reporting that might be material weaknesses. A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that misstatements in amounts that would be material in relation to the financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. We noted no matters involving the internal control over financial reporting and its operation that we consider to be a material weakness.

Honorable Tommy Bryant, Henry County Judge/Executive
Members of the Henry County Fiscal Court
Report On Compliance And On Internal Control
Over Financial Reporting Based On An Audit Of Financial
Statements Performed In Accordance With Government Auditing Standards

This report is intended solely for the information and use of management and is not intended to be and should not be used by anyone other than the specified party. However, this report, upon release by the Auditor of Public Accounts, is a matter of public record and its distribution is not limited.

Respectfully submitted,

A handwritten signature in black ink, appearing to read "Ed Hatchett", with a long horizontal flourish extending to the right.

Edward B. Hatchett, Jr.
Auditor of Public Accounts

Audit fieldwork completed -
March 28, 2000

CERTIFICATION OF COMPLIANCE – LOCAL
GOVERNMENT ECONOMIC ASSISTANCE PROGRAM

HENRY COUNTY FISCAL COURT

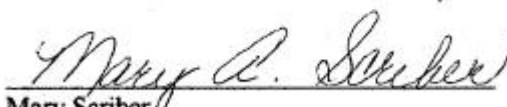
Fiscal Year Ended June 30, 1999

Appendix A

CERTIFICATION OF COMPLIANCE
LOCAL GOVERNMENT ECONOMIC ASSISTANCE PROGRAMS
HENRY COUNTY FISCAL COURT

The Henry County Fiscal Court hereby certifies that assistance received from the Local Government Economic Assistance Program was expended for the purpose intended as dictated by the applicable Kentucky Revised Statutes.


Tommy Bryant
County Judge/Executive


Mary Scriber
County Treasurer